RV BUSINESS

JULY 22, 1991

RVIA, RVDA Scrap Tech Credentials

The directors of RVIA and RVDA, the nation's two key RV trade associations, dropped their support for an independent industrywide certification program for RV dealership service technicians at the associations' respective June board meetings.

The two trade groups had been working toward credentialing for a couple of years on a separate basis: RVDA had hired a testing firm, while RVIA had set up Trouble Shooter Clinics and then a national network of National Recreation Vehicle Technical Institute (NRVTI) vocational programs, which were ultimately aimed at some form of credentialing. Both groups had worked together for nearly a year, trying to meld their respective ideas for a joint certification program, with the stated intentions of improving industry professionalism and consumer care.

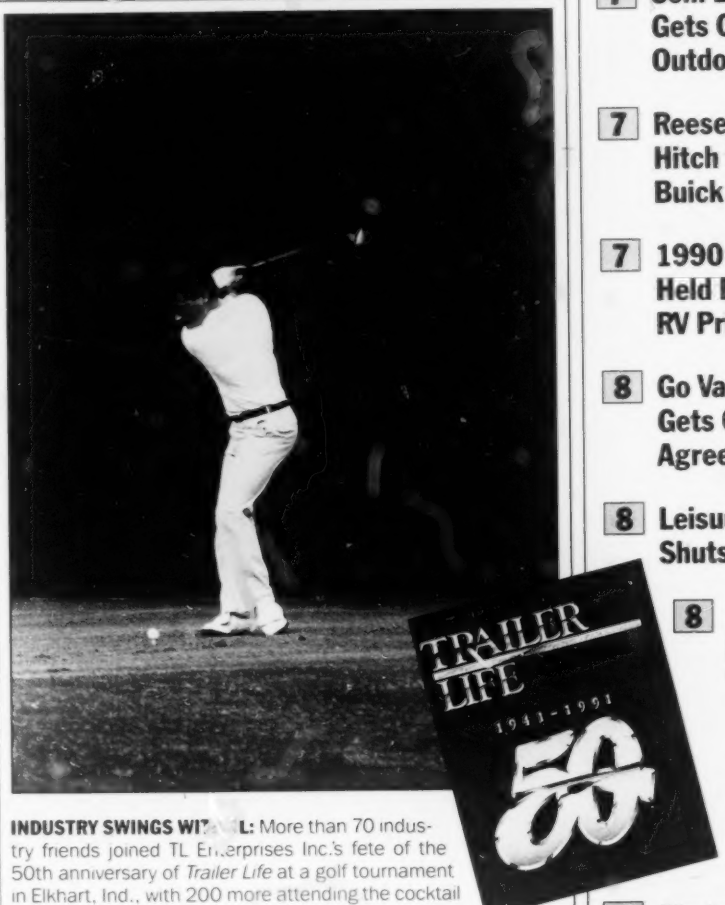
However, negotiations for a joint program had stalled over several key issues, including testing techniques and proprietorship of the program. So, at its June 20 board of directors' meeting in Washington, D.C., RVIA opted to step away from an independent certification effort and throw its weight instead behind "credentialing" students through its own fledgling NRVTI vocational training program.

RVIA President David J. Humphreys explained that RVIA's directors came to the conclusion that a separate certification program was duplicating what NRVTI schools were already positioned to do for themselves: Offer graduates paperwork proving their achievement in as many as 22 technical courses.

"Each of these schools will be in the best position to determine how qualified these students are or are not when they finish the course," said Humphreys. "My understanding, at this point, is that each of these schools will be doing its own testing. They will use our curriculum, and most will guarantee the quality of their students. That means that if you hire a technician and it turns out he's not adequately trained in electronics, he'll be retrained."

RVDA's board, meeting June 21-23 in Washington, then rejected the idea of setting up an elaborate national credentialing program of its own. "The (RVDA) board was quite disappointed with the response of the RVIA board, and they voted to discontinue further efforts of the certification program in view of the RVIA board's failure to support it," RVDA Executive Vice President Bob Strawn told *RV Business*. "So, we are stepping away from it, too, at this time. RVDA still believes in the values of certification to the industry. However, we believe it is one area that needs total industry support, and we don't believe that either party can be

continued on page 12



INDUSTRY SWINGS WIT[illegible]L: More than 70 industry friends joined TL Enterprises Inc.'s fete of the 50th anniversary of *Trailer Life* at a golf tournament in Elkhart, Ind., with 200 more attending the cocktail party and dinner that followed. See story on page 13.

7 Sen. Breaux Gets Coleman Outdoors Award

7 Reese Develops Hitch for Buick Roadmaster

7 1990 Slump Held Down RV Prices

8 Go Vacations Gets Creditor Agreement

8 Leisure Odyssey Shuts Down

8 'Barron's' Upbeat on '92 Industry

9 Cummins Dominates Diesels

9 Airstream Debuts '92 Models

10 Bonair Gets New Plant

11 Gulf Stream Unveils 1992 Coach Lineup

11 Coachmen Drops Good Times

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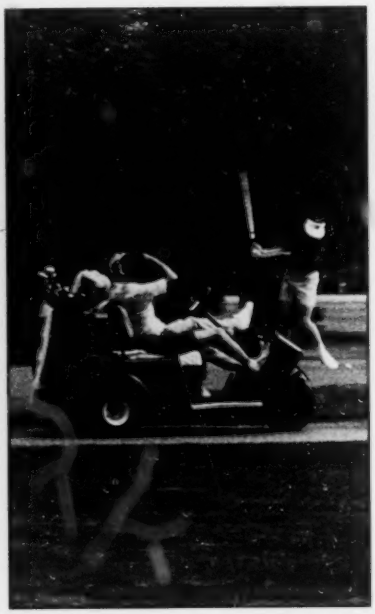

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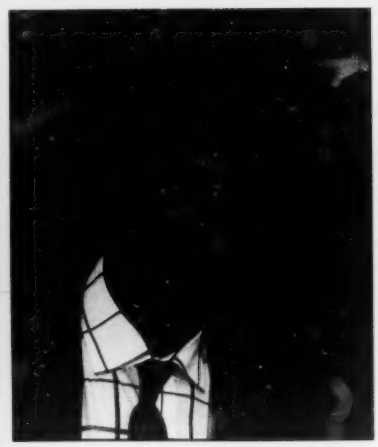

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COVER PHOTO OF PETER MC CARTY, SPARTAN MOTORS CORP., TAKEN BY ROBERT LONGSDORF JR.

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Rental operators report that they are looking forward to strong demand this summer, but profitability will continue to face challenges from tough price competition, rising costs and controversies involving lease-backs and insurance.

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APRIL SHIPMENTS SEND POSITIVE SIGNAL

MORTON J. MARCUS

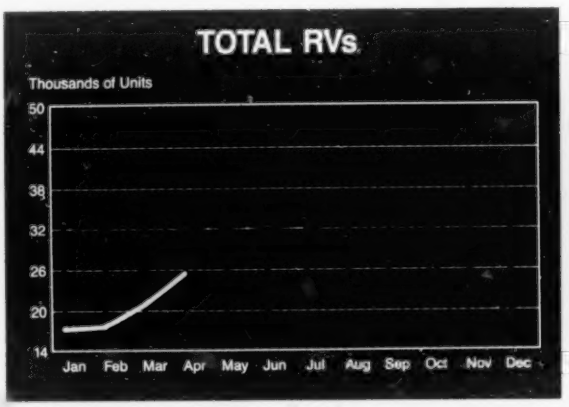


Figure 1

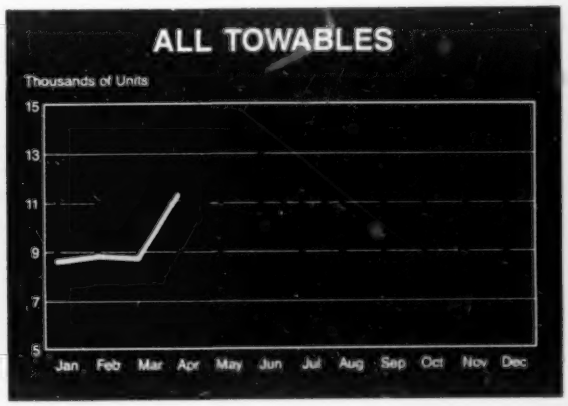


Figure 2

1981-90 Shipments Range
1990 Monthly Shipments
1991 Monthly Shipments

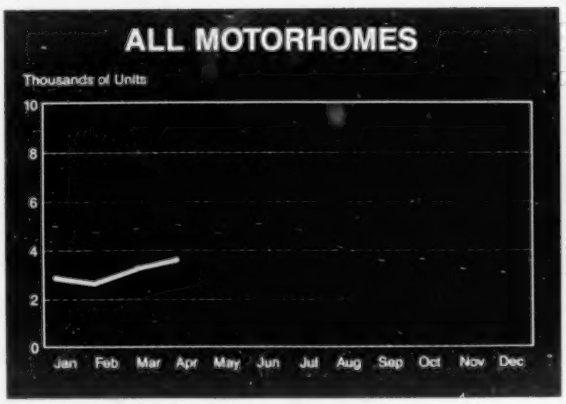


Figure 3

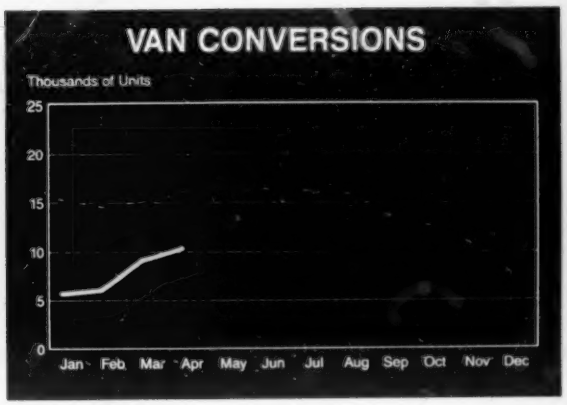


Figure 4

At last! We had been expecting the good economic news for some time, but it had not been forthcoming. In April, it came, and a sense of satisfaction and relief could be felt.

We had been waiting and waiting for months. It had been somewhat like grandparents awaiting the birth of the next in the family line. Each bit of news suggests progress, but the delivery itself has not been announced. One does not want to hover about seeming anxious and being obnoxious. Those who must deliver the product will do so in good time. But for the outsider, the wait is difficult.

Shipment data from RVIA for April, adjusted for normal seasonal variations, gave us an unambiguous upward movement. Total units shipped were 25,690, *up* more than 4,500 units (or more than 21%) from March. *(See Figure 1.)*

What makes this such good news are the patterns and tendencies this data revealed. For example, April was the fourth consecutive month of higher shipments. Of added significance is that the improvement increased each month. The growth from January to February was just 220 units. Then March added 3,420 units to February. April added 4,530 to March. This accelerating growth pattern seemed to indicate a compounding of confidence in the economic recovery.

And remember: These are all seasonally adjusted numbers, so we have taken out the normal springtime surge in shipments.

Added encouragement from these data comes from the fact that each major sector grew. Although none of the individual sec-

GRAPHICS: DIGITAL LI

tors pressed the upper bounds of the historic ranges for April in Figures 1 through 4, neither did they dwell at or below the minimums of the past decade.

Towables had their best month in more than a year in April; you have to go back to January of 1990 to find a better month. *(See Figure 2.)*

Motorhomes had their best month since Saddam Hussein became a household name in August 1990. *(See Figure 3.)*

Van conversions also continued a steady advance. *(See Figure 4.)* April shipments were 80% ahead of the low in January.

The Detailed View

Each type of RV represented in Figure 5 showed improvement from March of this year. Some of the gains were miniscule (10 units), but there were no declines.

Towables had the best performance for the month, with nearly a 30% gain of 2,600 units. More than half of that advance was recorded by folding camping trailers. The April gain in shipments was strong in both truck campers and folding camping trailers, strong enough to put April of this year ahead of the same month a year ago. As a result of this buoyancy, all towables ran nearly 3% ahead of April 1990.

Each variety of motorhomes in Figure 5 improved over its March level of shipments, but all remained below April of 1990. Numerically, all three classes of motorhomes showed about the same growth over March, between 100 and 200 units, although a gain of 100 units for Class B's represented a 40% advance, while a 150-unit gain for Class A's resulted in only an 8% growth rate.

Van conversions were up by 1,500 units from March but nonetheless 5,350 units below April of 1990. For the year-to-date, these units were running nearly 29,000 units below the four-month total of 1990. *(See Figure 6.)* This was the greatest deficit among the three primary RV groupings. Motorhomes were still down for the year by 37%, and towables by 18%. Together, motorhomes and towables were off 24% from year-to-date levels in April 1990.

The consequence of these differential responses to the recession was that the market share of van conversions slipped from 48% to 39%, with almost all of the offsetting gain resting with towables. The market shares for motorhomes, up and down the line in Figure 6, were virtually unchanged.

Even with the good news of April, no type of RV unit included in this report had yet drawn even with 1990 for the year-to-date. Folding camping trailers and truck campers were within striking distance. All other types of units would require several more months of improved shipments to eliminate the deficits accumulated in the first four months of 1991.

What If . . .

What if the rest of the year were similar to April? What would the total RV shipments be? Table 1 projects the answer.

PROJECTED SHIPMENTS	
26,960	May
27,110	June
25,210	July
27,170	August
28,020	September
26,930	October
29,980	November
28,210	December

Table 1

RV SHIPMENTS—MONTHLY COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Apr. '91	Change from Mar. '91 Number	%	Change from Apr. '90 Number	%
TOTAL RVs	25,690	4,530	21.4	−6,420	−20.0
Travel Trailers:					
Conventional	3,930	490	14.2	−570	−12.7
Park Models	530	10	2.2	−90	−13.8
Fifth-wheels	2,260	320	16.7	−300	−11.8
All Travel Trailers	6,720	820	13.9	−960	−12.5
Folding Camping Trailers	3,610	1,440	66.3	1,010	39.0
Truck Campers	1,030	340	48.9	240	30.2
TOTAL TOWABLES	11,360	2,600	29.7	290	2.7
Motorhomes:					
Class A	2,070	150	7.9	−830	−28.6
Class B	360	100	40.1	−170	−32.1
Class C:					
Minis	930	10	1.1	−360	−28.2
Low-Profiles	90	90	n/a	z	−2.4
Micro-minis	220	70	44.5	z	−1.3
Class C Total	1,230	160	15.4	−370	−23.0
TOTAL MOTORHOMES	3,660	420	12.9	−1,370	−27.2
TOTAL TOWABLES & MOTORHOMES	15,030	3,020	25.2	−1,070	−6.7
Multiuse Van Conversions	10,660	1,500	16.4	−5,350	−33.4

Note: Data rounded to nearest 10 units; z = less than 10, n/a = not applicable.

Figure 5

RV SHIPMENTS—ANNUAL COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Year-to-Date 1991	1990	Difference Number	%	% Market Share 1991	1990
TOTAL RVs	82,120	126,490	−44,370	−35.1	100.00	100.00
Travel Trailers:						
Conventional	13,920	18,340	−4,420	−24.1	16.95	14.50
Park Models	1,920	2,400	−480	−20.1	2.33	1.90
Fifth-wheels	8,010	10,540	−2,530	−24.0	9.76	8.33
All Travel Trailers	23,850	31,280	−7,430	−23.8	29.04	24.73
Folding Camping Trailers	10,830	11,360	−530	−4.6	13.19	8.98
Truck Campers	3,060	3,260	−200	−6.1	3.73	2.58
TOTAL TOWABLES	37,750	45,900	−8,150	−17.8	45.96	36.29
Motorhomes:						
Class A	6,800	11,240	−4,440	−39.5	8.28	8.89
Class B	1,330	1,990	−660	−33.1	1.62	1.57
Class C:						
Minis	3,370	5,060	−1,690	−33.3	4.11	4.00
Low-Profiles	90	300	−210	−70.7	0.11	0.24
Micro-minis	750	1,100	−350	−32.1	0.91	0.87
Class C Total	4,210	6,460	−2,250	−34.8	5.13	5.11
TOTAL MOTORHOMES	12,340	19,690	−7,350	−37.3	15.03	15.57
TOTAL TOWABLES & MOTORHOMES	50,090	65,590	−15,500	−23.6	60.99	51.85
Multiuse Van Conversions	32,030	60,900	−28,870	−47.4	39.01	48.15

Note: Data rounded to nearest 10 units; market-share percentages may not add to total because of rounding.

Figure 6

RVIA SHIPMENTS *continued*

ments be in 1991? The 25,690 units shipped in April equaled about three-quarters of the long-term high for April in Figure 1. Last year, April came in at 92% of that same monthly peak. What if the remaining months of 1990 also run at 75% of their 10-year peaks?

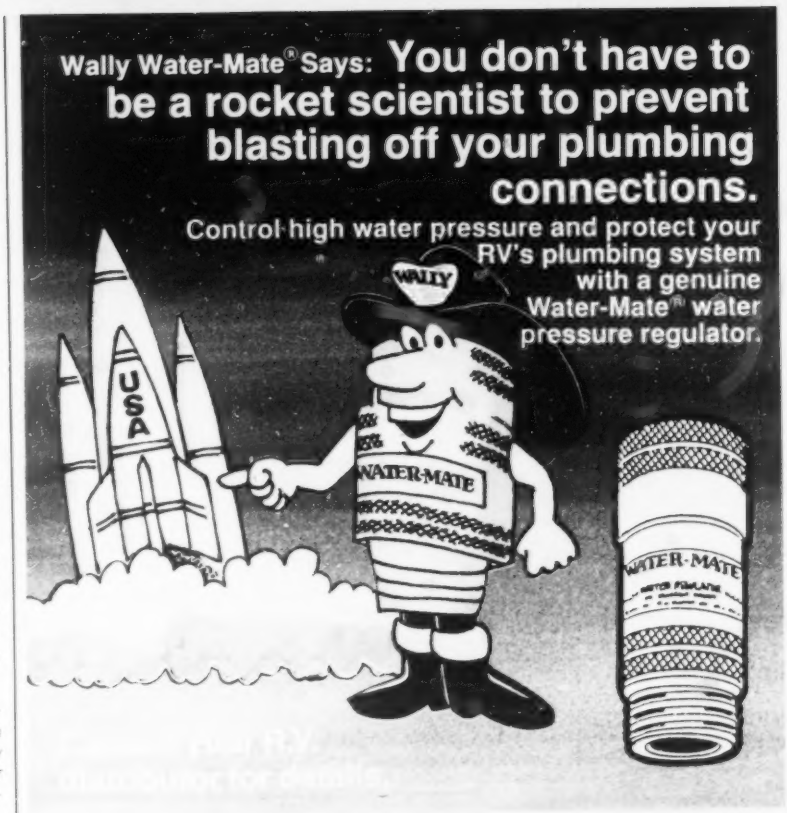
That would mean shipments as outlined in Table 1 on page 23.

The total for 1991 would then be 301,700 units. This level of activity would fall 14% shy of the units shipped in 1990. It would be necessary for the industry to run at 91% of the top of the range shown for each month in Figure 1 to reach last year's shipment level.

Hence April, however much we welcome its good aspects, was not a sufficiently strong month to regain 1990 levels.

The truth is that 1990 is not much of a goal for total shipments by the industry in any case. Nevertheless, it will take one heck of a strong year to get back to even that shipments level for all of 1991, given where we have been. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.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1ST-QUARTER TRAILER SALES AVERAGE; MOTORHOMES STILL SUBPAR

THOMAS WALWORTH

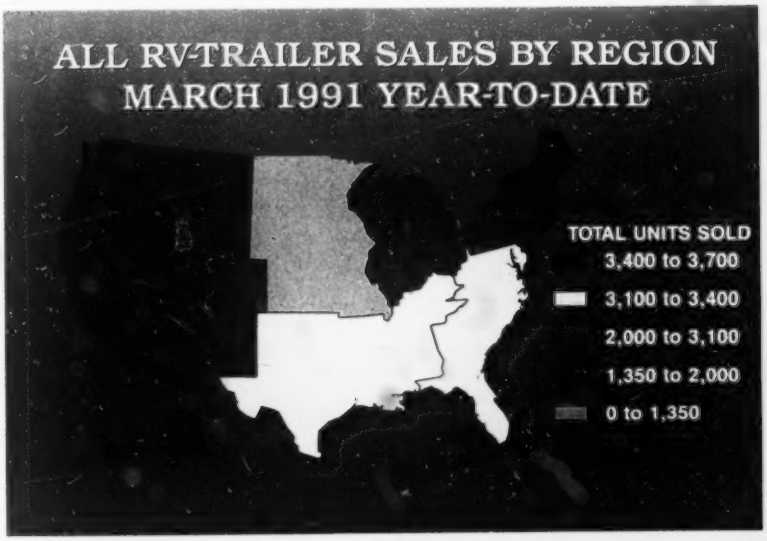
Looking over the first quarter of 1991, RV retail numbers reveal that the RV-trailer market was down 20.1% compared with the first three months of the preceding year, while the motorhome market fell 39.7% short of 1990's first quarter.

A 1,676-unit decline brought the RV-trailer market down 15.3% for the month of March 1991 when compared with the same month of 1990. Seven regions of the nation are ranked in Figure 1 on page 28 based on the percent of change in March RV-trailer sales from the same month in 1990. Illinois, in the leading East North Central region, experienced the largest gain in March, while Vermont had the largest decline in the bottom-ranked Northeast.

Nationwide, the RV-trailer market was down 20.1% for the year-to-date as of March 1991, which represented a decline of 4,528 units from the same period in 1990. Figure 2 on page 28 shows the seven regions of the country ranked according to their percent of change in sales from 1990's first quarter. Once again, the East North Central region topped the list, and Illinois reported the largest year-to-date gain among those states. New Hampshire, in the last-place Northeast region, trailed the nation with the largest decline.

In the motorhome market, a decline of 37.1%, or 1,600 units, was logged this March compared with the same month last year. Figure 3 ranks the seven regions of the country based on the percent of change in their motorhome sales from March of last year. Peak activity took place in the Mountain region, where Utah recorded the largest gain. The South Atlantic region trailed, with West Virginia down the most.

Year-to-date, motorhome sales were off 39.7%, or 4,341 units, in comparison with the same quarter of 1990. In Figure 4, the national regions are ranked by their percent of change in motorhome sales from the first quarter of 1990. South Dakota showed the largest gain for the period, leading No. 1 ranked West North Central region, while the lowest-ranked South Atlantic had West Virginia reporting the larg-



East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

GRAPHICS: DIGITAL LIFE

est year-to-date shortfall.

What do these negative numbers tell us about the market? They indicate that the market was down – but in relation to what? How bad is bad? A comparison of first-quarter sales over the past 11 years provides an interesting perspective on the market performance of the first quarter of 1991.

The RV-trailer market's strongest first quarter in 11 years was logged in 1990. Over the 11-year period, the average number of RV trailers sold during the first quarter was 18,135 units. This year, the industry outperformed that average slightly by selling 18,191 trailers in the first quarter of 1991 – even though the market was down 20% when compared with the best quarter in 11 years. There have been only two previous first-quarter declines in RV-trailer sales in the past 11 years.

The motorhome industry, which is much more sensitive to external influences, has shown larger variations over the past 11 years. The average number of units sold during the first quarter was 9,995 units. Motorhome sales during the first quarter of 1991 totaled 6,600 units, which missed the 11-year average by 34% and fell short of 1990's first quarter by 39.6%. Hence, the first three months of 1991 were one of six negative first quarters experienced by motorhomes during the past 11 years.

When reviewing any report, one should look at the long-range averages in order to judge the market more accurately. Taking that long-term look, the current market is off from 1990's record first-quarter pace, but it also is far above the worst market performance of the past 11 years. Δ

RV TRAILERS, MAR. '91

Mar. '91 Rank	Region	% of Change From Mar. '90	Feb. '91 Rank
1	E.N. Central	– 1.9	6
2	W.N. Central	– 8.0	1
3	Pacific	–14.1	5
4	S. Central	–16.7	2
5	S. Atlantic	–20.4	3
6	Mountain	–21.7	4
7	Northeast	–24.9	7

RV TRAILERS, YEAR-TO-DATE

Mar. '91 Rank	Region	% of Change Year-to-Date	Feb. '91 Rank
1	E.N. Central	–12.6	5
2	W.N. Central	–12.7	2
3	S. Atlantic	–17.6	1
4	S. Central	–19.9	3
5	Pacific	–20.2	4
6	Mountain	–24.2	6
7	Northeast	–33.8	7

MOTORHOMES, MAR. '91

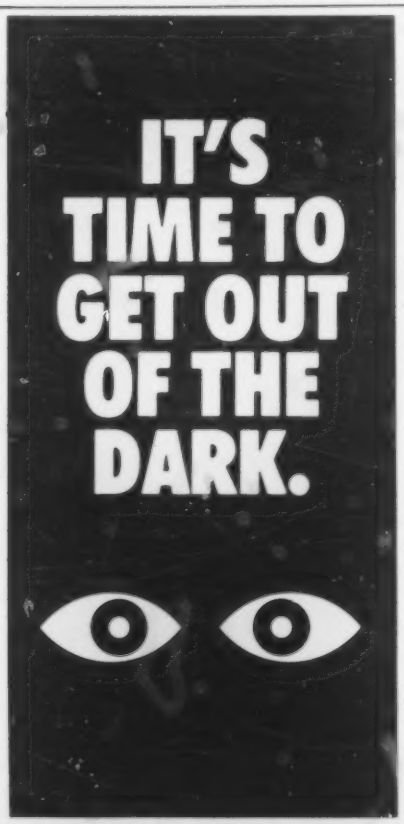
Mar. '91 Rank	Region	% of Change From Mar. '90	Feb. '91 Rank
1	Mountain	–23.0	4
2	W.N. Central	–27.6	1
3	Pacific	–31.3	2
4	E.N. Central	–35.7	5
5	S. Central	–40.2	3
6	Northeast	–44.6	7
7	S. Atlantic	–50.9	6

MOTORHOMES, YEAR-TO-DATE

Mar. '91 Rank	Region	% of Change Year-to-Date	Feb. '91 Rank
1	W.N. Central	–25.2	1
2	Pacific	–33.1	2
3	Mountain	–37.5	5
4	E.N. Central	–39.1	3
5	S. Central	–41.7	4
6	Northeast	–49.7	7
7	S. Atlantic	–50.0	6

Figures 1-4

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.



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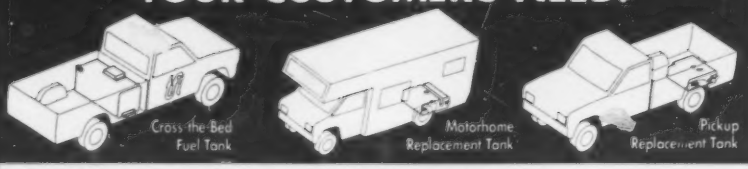

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